

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: The Hash Corporation (the "Issuer").

Trading Symbol: REZN

Number of Outstanding Listed Securities: 280,120,290

Date: October 6, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies.

The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer installed and began to operate a custom-designed system for making isolated bubble hash in collaboration with Maratek Environmental Inc The Issuer also completed its first batch of the bubble hash and rosin in collaboration with Black Rose Organics Canada Inc. ("Black Rose").

2. Provide a general overview and discussion of the activities of management.

Not applicable.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer completed its first batch of the bubble hash and rosin in collaboration with Black Rose. The Issuer in conjunction with Black Rose also applied to have Black Rose's licence amended to enable the sale of cannabis extracts. Both parties will share 50-50 basis profits from the sale of products established by Black Rose for the Issuer and on the sale of products cultivated and/or branded by Black Rose.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not Applicable

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer began developing isolated bubble hash in collaboration with Maratek Environmental Inc. ("Maratek") Maratek is not a Related Person to the Issuer

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not Applicable

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not Applicable

8. Describe the acquisition of new customers or loss of customers.

Not Applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

The Issuers collaborator, Medz Cannabis Inc. ("Medz") received its sales licence amendment from Health Canada. This amendment will now grant Medz, in collaboration with the Issuer, the ability to apply to various provincial purchasers for the listing of the Issuer's products.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not Applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not Applicable

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not Applicable

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness

Not Applicable

14. Provide details of any securities issued and options or warrants granted.

Not Applicable

15. Provide details of any loans to or by Related Persons.

Not Applicable

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Please see attached Schedule "B".

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 6, 2021.

Donal Carroll
Name of Director or Senior Officer

Signed "Donal Carroll"
Signature

Chief Financial Officer and Director
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
The Hash Corporation	September 30 2021	October 6, 2021
Issuer Address		
Suite 801, 1 Adelaide St. East		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5C 2V9	N/A	1-833-420-7396
Contact Name	Contact Position	Contact Telephone No.
Christopher Savoie	CEO and Director	1-833-420-7396
Contact Email Address	Web Site Address	
chris@hashco.ca	https://thehashcorporation.com/	

Schedule “B”

The information in this Schedule “B” is intended to be a summary only of certain risk factors and is qualified in its entirety by reference to, and should be read in conjunction with detailed information appearing elsewhere herein and in the public disclosure of the Issuer, which is available under the profile of the Issuer on SEDAR at www.sedar.com. The risks and uncertainties discussed in identified in Schedule “B” are not, and are not intended to be an exhaustive list of, the only ones the Issuer is facing. Additional risks and uncertainties not presently known to the Issuer, or that it currently deems immaterial, may also impair its operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Issuer’s operations could be materially adversely affected.

Activities of the Resulting Issuer may be impacted by the spread of the COVID-19

The Issuer’s business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The Issuer cannot accurately predict the impact COVID-19 will have on the Issuer’s business. Risks posed by COVID-19 include uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Issuer’s services and likely impact operating results.

Risks Pertaining to Changing Laws and Regulations

The cannabis extract and cannabis concentrates industry is a new industry and the Issuer cannot predict the impact of the compliance regime Health Canada is implementing for the production and sale of cannabis extracts and concentrates. Government licences are currently, and in the future may be, required in connection with Issuer’s operations, in addition to other unknown permits and approvals which may be required. The Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of Health Canada’s compliance regime, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Issuer.

Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Issuer’s operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Issuer’s operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Issuer.

No Profits or Significant Revenues

The Issuer has a limited operational history in the cannabis industry which makes it difficult to evaluate its performance and future prospects. The Issuer’s current and proposed operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Issuer makes significant investments in research, development and product opportunities, and reacts to developments in its market, including purchasing patterns of customers, and the entry of competitors into the market. The Issuer will only be able to pay dividends on any Shares once its directors determine that it is financially able to do so.

The Issuer cannot make any assurance that it will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of the Shares.

Reliance on Management and Key Personnel

The Issuer’s success is largely dependent on the performance of its Board of Directors and management team. Qualified individuals are in high demand, and the Issuer may incur significant costs to attract and retain them. The loss of any of the Issuer’s senior management or key employees, or an inability to attract other suitably qualified persons when needed, could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all.

Factors which may prevent realization of growth targets

The Issuer is currently in an early development stage. There is a risk that the resources necessary for its business and operations may not be secured on time, on budget, or at all, and further, that the Issuer may not have sufficient product available to meet the anticipated future demand when it arises, as a result of being adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- failure, or delays in, obtaining or satisfying conditions imposed by regulatory approvals
- non-performance by third party contractors
- increases in materials or labour costs
- breakdown, aging or failure of equipment or processes
- operational inefficiencies
- labour disputes, disruptions or declines in productivity
- inability to attract sufficient numbers of qualified workers
- disruption in the supply of energy and utilities
- major incidents and/or catastrophic events such as fires, explosions or storms

The Issuer may experience additional expenditures related to unforeseen issues that have not been taken into account in the preparation of this Listing Statement.

Additional financing

The continued development of the Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Issuer's current business strategy or the Issuer ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Shares. In addition, from time to time, the Issuer may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Issuer would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Issuer's ability to pursue its business objectives.

Competition

The Issuer faces competition from other companies, some of which have longer operating histories and more financial resources and marketing experiences. There can be no assurance that potential competitors of the Issuer, which may have greater financial, R&D, sales and marketing and personnel resources than the Issuer, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Issuer or which would otherwise render the Issuer's products or strategies obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Risks Related to Intellectual Property

As of the date of this Listing Statement, the Issuer does not have its own proprietary formulations and processes with respect to the production of hashish. In the future, the Issuer's success and ability to compete effectively may depend, in part, on its ability to maintain the proprietary nature of formulations and processes it creates, and the ability to secure and protect any patents, trade secrets, trademarks and other intellectual property rights either developed internally or acquired by the Issuer from time to time, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights that it owns or licences. In the event that the Issuer's intellectual property rights were to be infringed by, disclosed to or independently developed by a competitor, enforcing a claim against such third party could be expensive and time-consuming and could divert management's attention from our business. In addition, the outcome of such proceedings is unpredictable. Any adverse outcome of such litigation or settlement of such a dispute could subject the Issuer to significant liabilities, and could put one or more of the Issuer's patents or patent application, as applicable, at risk of being not issued, of being invalidated, or of being interpreted narrowly.

The Issuer's commercial success will also depend, in part, on operating its business without infringing the patents or proprietary rights of third parties. Third parties that believe the Issuer is infringing on their rights could bring actions against it claiming damages and seeking to enjoin the development, marketing and distribution of its products. If the Issuer becomes involved in any litigation, it could consume a

substantial portion of its resources, regardless of the outcome of the litigation. If any of these actions are successful, the Issuer could be required to pay damages and/or to obtain a licence to continue to develop or market its products, in which case it may be required to pay substantial royalties. However, any such licence may not be available on terms acceptable to the Issuer or at all. Ultimately, the Issuer could be prevented from commercializing a product or forced to cease some aspect of its business operations because of patent infringement claims, which would harm its business.

Client acquisition and retention

The Issuer's success depends on its ability to attract and retain customers. There are many factors which could impact the Issuer's ability to attract and retain customers, including but not limited to the Issuer's ability to continually produce desirable and effective product, the successful implementation of the Issuer's branding and marketing strategy, the continued growth in the aggregate number of customers interested in consuming cannabis extracts and concentrates, and other companies producing and supplying similar products. The Issuer's failure to acquire and retain customers would have a material adverse effect on the business, financial condition and operating results of the Issuer.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products characterize the Issuer's business. The introduction of new products embodying new technologies and the emergence of new industry standards may render the Issuer's products less competitive or less marketable. The process of developing the Issuer's future products may be complex and requires significant continuing costs, development efforts and third party commitments. The Issuer's failure to develop new products and the obsolescence of existing products could adversely affect the business, financial condition and operating results of the Issuer. The Issuer may be unable to anticipate changes in its potential customer requirements that could make the Issuer's existing products obsolete. The Issuer's success will depend, in part, on its ability to continue to enhance its existing products, and develop new products that address the increasing sophistication and varied needs of the market on a timely and cost-effective basis. The development of the Issuer's proprietary formulations and products entails significant technical and business risks. The Issuer may not be successful in creating new products, or exploiting its niche markets effectively or adapting its businesses to evolving customer requirements or preferences or emerging industry standards.

Unfavourable publicity or consumer perception

The Issuer believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis as well as products produced or manufactured using cannabis. Consumer perception of the Issuer's products and technologies can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical and/or recreational cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Issuer's products and the business, results of operations, financial condition and cash flows of the Issuer. The Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Issuer, the demand for the Issuer's products, and the business, results of operations, financial condition and cash flows of the Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Issuer's products and services specifically, or associating the consumption of medical and/or recreational cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Product liability

As a manufacturer and distributor of products directly or indirectly designed to be ingested by humans, the Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis extract and cannabis concentrate products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Issuer may be subject to various product liability claims, including, among others, that the products produced by the Issuer caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A

product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, financial condition and operating results of the Issuer. There can be no assurances that the Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Issuer's products.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by the Issuer are recalled due to an alleged product defect or for any other reason, the Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Issuer has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by the Issuer were subject to recall, the image of that product and the Issuer could be harmed. Any recall, including for any of the foregoing reasons, could lead to decreased demand for products produced by the Issuer and could have a material adverse effect on the results of operations and financial condition of the Issuer. Additionally, product recalls may lead to increased scrutiny of the operations of the Issuer by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Contamination and Production Interruptions

The Issuer has adopted various quality, environmental, health and safety standards. However, products may still not meet these standards or could otherwise become contaminated. A failure to meet these standards or contamination could occur in its operations or those of its suppliers. Such a failure or contamination could result in expensive production interruptions, recalls and liability claims. Moreover, negative publicity could be generated even from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect the Company's business and financial performance.

Promoting the Brand

Promoting the Issuer's brand will be critical to creating and expanding a customer base. Promoting the brand will depend largely on the Issuer's ability to provide quality and innovative products. The Issuer may introduce new products or services that its customers do not like, which may negatively affect the brand and reputation. If the Issuer fails to successfully promote its brand or if it incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Success of Quality Control Systems

The quality and safety of the Issuer's products are critical to the success of its business and operations. As such, it is imperative that the Issuer (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality of the training program and adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on the Issuer's business and operating results.

Reliance on key inputs

The Issuer's business is dependent on a number of key inputs and their related costs including raw materials and supplies, specifically cannabis. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer. Examples of potential risks include, but are not limited to, the risk that crops may become diseased or victim to insects or other pests and contamination which could result in low crop yields, decreased availability of cannabis, and higher acquisition prices. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Issuer.

Risks Related to Third Party Relationships

The Issuer currently has, and may in the future enter into, strategic alliances with third parties that the Issuer believes will complement or augment its existing business or will have a beneficial impact on the Issuer. Strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Issuer's business, and may involve risks that could adversely affect the Issuer, including significant

amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Issuer's existing strategic alliances will continue to achieve, the expected benefits to the Issuer's business or that the Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Liability arising from Fraudulent or Illegal Activity

The Issuer is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Issuer's behalf or in its service that violate (i) various laws and regulations, including healthcare laws and regulations, (ii) laws that require the true, complete and accurate reporting of financial information or data, (iii) the terms of the Issuer's agreements with third parties. Such misconduct could expose the Issuer to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The Issuer cannot always identify and prevent misconduct by its employees and other third parties, including third party service providers, and the precautions taken by the Issuer to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from such misconduct. If any such actions are instituted against the Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of its operations.

Difficulty to forecast

Detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis extracts industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Operating risk and insurance coverage

The Issuer has insurance to protect its assets, operations and employees. While the Issuer believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Issuer's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Costs of Operating as Public Company

As a public company, the Issuer will incur significant legal, accounting and other expenses that it did not incur as a private company. As a public company, the Issuer is subject to various securities rules and regulations, which impose various requirements on the Issuer, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Issuer's management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase the Issuer's legal and financial compliance costs and make some activities more time-consuming and costly.

Management of growth

The Issuer may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Conflicts of interest

The Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, the Issuer's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Issuer. In some cases, the Issuer's executive

officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Issuer's business and affairs and that could adversely affect the Issuer's operations. These business interests could require significant time and attention of the Issuer's executive officers and directors.

In addition, the Issuer may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Issuer. In addition, from time to time, these persons may be competing with the Issuer for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer.

Unpredictable and volatile market price for Shares

The market price for the Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Issuer's control, including the following:

- actual or anticipated fluctuations in the Issuer's quarterly results of operations
- recommendations by securities research analysts
- changes in the economic performance or market valuations of companies in the industry in which the Issuer operate
- addition or departure of the Issuer's executive officers and other key personnel
- release or expiration of lock-up or other transfer restrictions on outstanding Issuer Shares
- sales or perceived sales of additional Issuer Shares
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Issuer or its competitors
- operating and share price performance of other companies that investors deem comparable to the Issuer
- fluctuations to the costs of vital production materials and services
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility
- operating and share price performance of other companies that investors deem comparable to the Issuer or from a lack of market comparable companies
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Issuer's industry or target markets

Financial markets may experience price and volume fluctuations that may affect the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Shares may decline even if the Issuer's operating results, underlying asset values or prospects do not change. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses.

No dividends

The Issuer's current policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Issuer. Therefore, the Issuer does not anticipate paying cash dividends on the Issuer Shares in the foreseeable future. The Issuer's dividend policy will be reviewed from time to time by its Board of Directors in the context of its earnings, financial condition and other relevant factors. Until the time that the Issuer does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Shares unless they sell them.

Future sales of Shares by existing shareholders

Sales of a substantial number of Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Shares intend to sell Shares, could reduce the market price of our Shares. Holders of options to purchase Shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying Shares). As a result, these holders may need to sell Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Shares being sold in the public market, and fewer long-term holds of Shares by management and our employees.